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March 1991

1 Professional Fleet Manager Award Nominees

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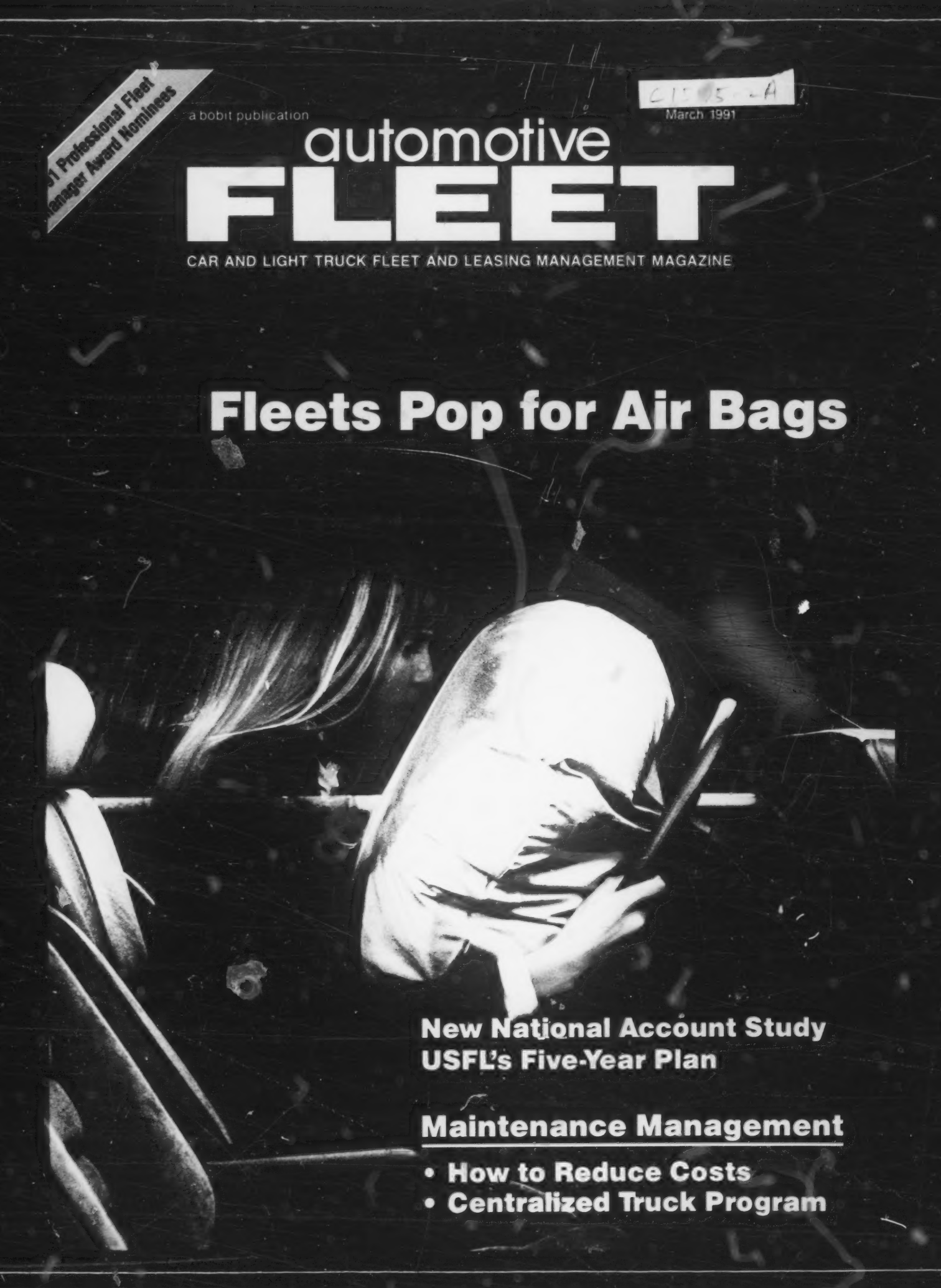
CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

Fleets Pop for Air Bags



New National Account Study
USFL's Five-Year Plan

Maintenance Management

- **How to Reduce Costs**
- **Centralized Truck Program**

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BOBIT PUBLISHING

CAR AND LIGHT TRUCK FLEET AND LEASING MANAGEMENT MAGAZINE

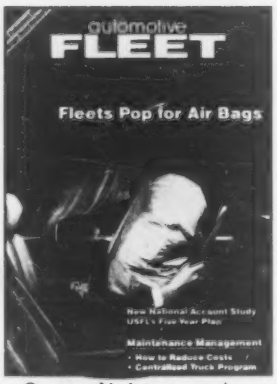
March 1991
VOL. 30, NO. 5

Influencing the management of 4,952,000 cars and 2,070,000 light trucks and vans in business, leasing, rental, utility, government, police, and taxi fleets.

Features

p. 37

p. 51



On the Cover: Air bags are increasingly being mandated by fleets as standard equipment for their company vehicles. For more information on this trend and its history, see page 22.

19 **Take a Broad View to Reduce Maintenance Expense**
Maintenance expenses are often narrowly interpreted as only applying to vehicles. However, to effectively control these costs, existing corporate policies and practices also should be reviewed.

22 **Air Bags Provide Safety Cushion for Fleet Drivers**
Insurance industry car fleets were the first to adopt air-bag-equipped vehicles, but this passive restraint system is gaining popularity within other industries, as well.

25 **Strong Candidates Entered for 1991 Fleet Manager Award**
Eighteen distinguished nominees are vying for the honor of the seventh annual Professional Fleet Manager Award, to be presented at Automotive Fleet's *Awards Brunch in Atlanta, GA.*

37 **United States Fleet Leasing: Its Five-Year Growth Plan**
The directive from USFL's parent company was "Grow your assets by becoming the top service provider in the industry." To accomplish this, the lessor plans, among other things, to penetrate the large fleet market and expand into Europe.

47 **National Accounts Survey Shows Big Fleet Volume**
The overwhelming majority of fleet managers responding to Automotive Fleet's *survey on national account usage say that their companies each spend in excess of a quarter of a million dollars per year on national account programs.*

Truck/Van Section

51 **Centralized Control Improves Maintenance Efficiencies**
Bell of Pennsylvania's Fleet Operations Control Center allowed the company to streamline the management of its service/repair facilities and reduce the number of foremen needed to run these operations.

Departments

Letters	8	Retail Leasing	66
Industry News	11	Used Car Prices	67
Hotline	15	New Products	68
Light Truck and Van News	57	Gas Prices/Classified	70
Personnel Personals	60	Ad Index/Calendar	71
Fleet Leasing	63	Editorial	72

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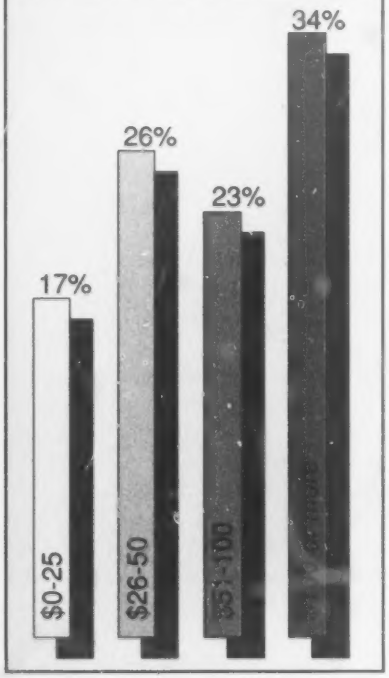
National Accounts Survey Shows Big Fleet Volume

Automotive Fleet's *first-ever survey of vendor usage shows most fleets are spending more than $250,000 per year on national account programs, and more than 90 percent say that number will either increase or stay the same in 1991.*

For the purpose of this survey, a national account is defined as "an agreement reached between a fleet and a supplier that: 1) makes available a variety of aftermarket products or services on a national or regional basis through multiple outlets; 2) provides a product or service utilizing a pre-negotiated pricing structure and uniform quality, and; 3) has the capability of centralized billing and/or the ability for a third party (e.g., a lessor or fleet management company) to authorize payment." Automotive Fleet *surveyed 500 fleet managers with fleets of 500 or more vehicles, and more than 322,000 vehicles are represented within this study, with trucks and vans comprising nearly half of that number (152,140).*

■ What Dollar Levels Can Drivers Authorize?



Saving vehicle downtime is fleet managers' most important criterion when deciding whether or not to use a national account program offered by a major supplier of fleet products or services, according to respondents of the 1991 *Automotive Fleet* National Accounts Survey.

Cost, however, is an important criterion, and was cited by fleet managers as the second most important factor influencing their decisions in selecting how and where vehicles will be serviced, fueled, and repaired, and whether or not they use a national account program.

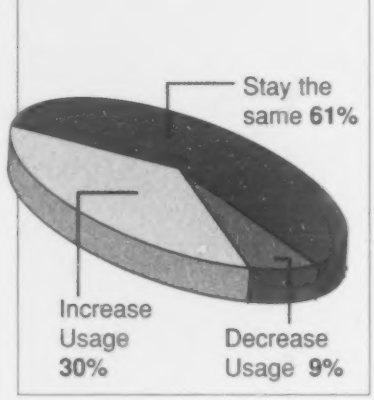
Vehicle mileage and driver preference followed time and cost as the other most important considerations.

Surprisingly, the one expense category in which fleets spend the most money, fuel (a $6.3 billion annual expenditure, according to *Automotive Fleet's* 1990 Operating and Maintenance Cost Study), is the one category in which fleet managers say they use

■ Criteria Influencing Expenditures Most

■ National Account Suppliers: Where Do Fleets Go?

■ National Account Expenditure Forecast



national account vendors the least, with 67 percent saying they do not use an oil company fleet credit card with centralized national account billing and control. Other categories in which national accounts are not used frequently include body damage repair and paint work (a $882 million annual fleet expenditure), and rental cars for loaners when regular company vehicles are out of service or when awaiting delivery of new vehicles.

The most popular category for national account usage is tires, for which 88 percent say that they use a major tire manufacturer outlet for replacement tires and tire repair. The next most popular categories for national account usage are oil changes/lubes and shocks/brake service, which net 72 percent respectively, followed by battery replacement (67 percent), glass replacement and engine service/repairs (65 percent each), and transmission work (62 percent).

When deciding which national account to use in a given situation, drivers are often given a wide berth, with 78 percent of fleet managers saying that their drivers can choose among the company's national account programs for the specific vendor they wish to use, while only 22 percent say that drivers must use the account designated by the company. Drivers are also given considerable latitude in authorizing product or service charge amounts. According to the survey, 34 percent of fleet managers allow their drivers to authorize $100 or more for repairs or products at a national account location, while 26 percent are allowed to authorize between $25-50 worth of goods or services. The third largest category, $50-100 authorization, netted 23 percent, and the smallest category, the $0-25 expense range, received 17 percent.

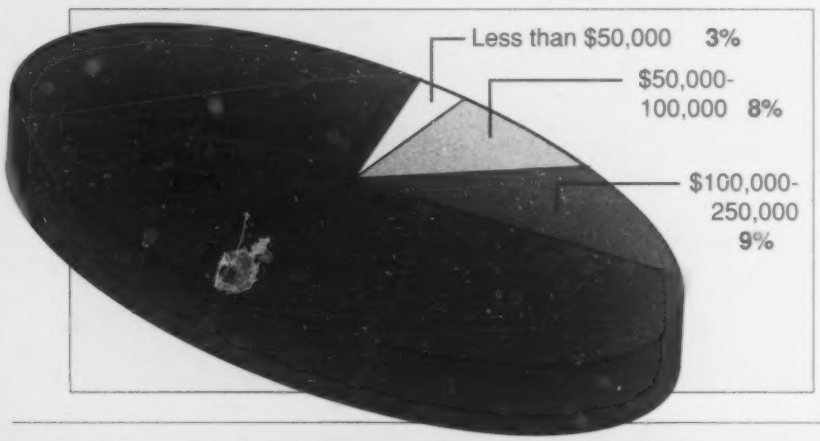
The majority of survey respondents say that their national account program is provided by or through a lessor or fleet management company (55 percent), while 30 percent say that they buy direct from the product or service supplier. The final category, "other service companies," received a 15 percent response from fleet managers who answered this question.

What does a year of national account usage by a fleet add up to? For 80 percent of the fleet managers responding, the figure is greater than $250,000 per year, according to survey results. Only three percent spend less than $50,000, and eight percent and nine percent spend between $50,000-100,000 and $100,000-250,000, respectively. Fleets traditionally pay for their account via company purchase orders (38 percent), with 28 percent saying that they use a national account fleet card. Preventive maintenance coupon books are used for 21 percent of purchases, and driver reimbursement and vouchers or drafts net a combined 13 percent.

For most companies, the future of national account usage looks stable, with 61 percent saying that their usage will remain the same in the coming year as it was during the last. Thirty percent foresee a rise in their usage, while only nine percent see their national account usage decreasing. AF

(For a complete look at the results of this survey, turn to page 50.)

■ Annual National Accounts Expenditures



National Accounts Survey Summary

Response rate to survey	26%
Number of cars in survey:	170,383
Number of trucks and vans in survey:	152,140
Total number of vehicles:	322,523

Do you use a national account for the following:		
Fuel	33% yes	67% no
Oil Change/ Lube	72% yes	28% no
Tires	88% yes	12% no
Glass replacement	65% yes	35% no
Shocks/Brake Service	72% yes	28% no
Engine Service/Repairs	65% yes	35% no
Car Rental (Loaners)	57% yes	43% no
Body Damage Repair	40% yes	60% no
Paint	38% yes	62% no
Transmission Work	62% yes	38% no
Battery Replacement	67% yes	33% no

How is payment made for national account services or products?	
Fleet Card	28%
Company Purchase Order	38%
PM Coupon Book	21%
Driver Reimbursement	9%
Vouchers/Drafts	4%

Do you use a national account provided by:	
Lessor/Fleet Management Company	55%
Direct from Product or Service Supplier	30%
Other Service Companies	15%

Do you foresee your usage of national accounts to:	
Increase	30%
Decrease	9%
Stay the same	61%

What criteria influences the majority of your national accounts expenditures?	
First Criteria:	Time
Second Criteria:	Cost
Third Criteria:	Vehicle mileage
Fourth Criteria:	Driver preference

What dollar levels can drivers authorize?	
$0-25	17%
$26-50	26%
$51-100	23%
$100 or more	34%

How much driver discretion do you allow?	
Driver must use certain account	22%
Driver may select from designated national account	78%

USED-CAR PRICES

The following are average used-car prices for the period ending February 1, 1991. Prices are based on wholesale activity at major dealers across the country. They are divided into three zones as indicated on the accompanying map. These averages are calculated electronically. They are based on clean cars only. Proper allowance should be made for upgrading sharp cars and proper deduction taken for fair cars. Automatic transmissions have been included in the averages of all models. This information is published in *Automotive Fleet* by special permission of *Automotive Market Report*.

89 BUICK SKYHAWK			
Coupe	5,750	5,806	5,632
Sedan	5,828	5,888	5,712
88 BUICK SKYHAWK			
Coupe	4,725	4,800	4,656
Sedan	4,817	4,865	4,721
89 BUICK SKYLARK			
Cust Sedan	6,692	6,759	6,550
88 BUICK SKYLARK			
Cust Sedan	5,626	5,681	5,512
89 BUICK CENTURY			
Cust Sedan	6,996	7,068	6,858
88 BUICK CENTURY			
Cust Sedan	5,638	5,689	5,526
89 BUICK LESABRE			
Cust Sedan	9,014	9,104	8,834
88 BUICK LESABRE			
Cust Sedan	7,460	7,535	7,311
89 CADILLAC DEVILLE			
Coupe	15,208	15,360	14,905
Sedan	15,374	15,530	15,067
88 CADILLAC DEVILLE			
Coupe	11,975	12,093	11,735
Sedan	12,115	12,235	11,872
89 CADILLAC SEVILLE			
Sedan	15,372	15,527	15,064
88 CADILLAC SEVILLE			
Sedan	12,725	12,853	12,470
89 CHEVY BERETTA			
Coupe	6,631	6,699	6,499
88 CHEVY BERETTA			
Coupe	5,559	5,619	5,448
89 CHEVY CORSICA			
Hatchback 4 dr.	6,319	6,383	6,193
88 CHEVY CORSICA			
Sedan	5,143	5,194	5,040
89 CHEVY CAVALIER			
Sedan	5,397	5,452	5,289
88 CHEVY CAVALIER			
Sedan	4,477	4,523	4,387
89 CHEVY CELEBRITY			
Sedan	6,426	6,490	6,297
88 CHEVY CELEBRITY			
Sedan	5,076	5,127	4,976
89 CHEVY CAPRICE			
Sedan	7,230	7,302	7,084
88 CHEVY CAPRICE			
Sedan	5,863	5,923	5,748
89 CHRYSLER LEBARON			
Highline Sedan	6,542	6,607	6,409
88 CHRYSLER LEBARON			
Sedan	5,110	5,162	5,009
89 CHRYSLER NEW YORKER			
Sedan	10,312	10,415	10,107
88 CHRYSLER NEW YORKER			
Sedan	8,661	8,748	8,487
89 CHRYSLER FIFTH AVENUE			
Sedan	10,485	10,587	10,273
88 CHRYSLER FIFTH AVENUE			
Sedan	8,400	8,486	8,233
89 DODGE ARIES AMERICA			
Sedan	5,089	5,140	4,987
88 DODGE ARIES AMERICA			
Sedan	4,032	4,064	3,941
89 DODGE SHADOW			
Liftbk 5 Dr	5,424	5,478	5,315
88 DODGE SHADOW			
Liftbk 5 Dr	4,375	4,418	4,287
89 DODGE DYNASTY			
Sedan	7,748	7,826	7,592
89 FORD ESCORT			
Htchbk 4 Dr LX	4,706	4,753	4,612
88 FORD ESCORT			
Htchbk 4 Dr GL	3,646	3,683	3,573
89 FORD MUSTANG			
LX-4 Coupe	6,278	6,339	6,151
88 FORD MUSTANG			
LX-4 Coupe	5,167	5,219	5,063
89 FORD TEMPO			
GL Sedan 4 Dr	5,560	5,616	5,449
88 FORD TEMPO			
GL Sedan 4 Dr	4,518	4,563	4,427
89 FORD TAURUS			
GL Sedan 4 Dr	7,337	7,411	7,189
88 FORD TAURUS			
GL Sedan 4 Dr	5,862	5,923	5,746
89 FORD CROWN VICTORIA			
Sedan	9,641	9,737	9,448
88 FORD CROWN VICTORIA			
Sedan	7,830	7,908	7,671
89 THUNDERBIRD			
Coupe	8,688	8,774	8,513
88 THUNDERBIRD			
Coupe	7,086	7,157	6,944
89 LINCOLN			
Town Car Sedan	13,557	13,694	13,286
Mark VII LSC Coupe	14,715	14,863	14,422
Continental Sedan	14,571	14,718	14,281
88 LINCOLN			
Town Car Sedan	11,629	11,744	11,392
Mark VII LSC Coupe	12,862	12,991	12,606
Continental Sedan	13,058	13,190	12,797
89 MAZDA 626			
LX Sedan 4 Dr	8,640	8,727	8,467
89 MERCURY COUGAR			
LS Coupe	9,162	9,253	8,980
88 MERCURY COUGAR			
LS Coupe	7,558	7,635	7,408
89 MERCURY TOPAZ			
GS Sedan 4 Dr	5,709	5,766	5,595
88 MERCURY TOPAZ			
GS Sedan 4 Dr	4,612	4,658	4,519
89 MERCURY SABLE			
GS Sedan 4 Dr	7,395	7,469	7,246
88 MERCURY SABLE			
GS Sedan	5,972	6,032	5,853
89 MERCURY GRAND MARQUIS			
GS Sedan	10,169	10,270	9,966
88 MERCURY GRAND MARQUIS			
GS Sedan	8,469	8,552	8,300
89 MITSUBISHI MIRAGE			
Sedan 4 Dr	5,028	5,079	4,928
88 MITSUBISHI MIRAGE			
Sedan	3,655	3,691	3,582
89 NISSAN SENTRA			
Sedan 2 Dr	4,330	4,372	4,243
89 NISSAN STANZA			
E Ntch 4 Dr	7,377	7,450	7,229
89 NISSAN MAXIMA			
SE Sedan	12,680	12,807	12,427
88 NISSAN SENTRA			
Sedan 2 Dr	3,545	3,580	3,473
88 NISSAN STANZA			
E Ntch 4 Dr	5,976	6,036	5,857
88 NISSAN MAXIMA			
SE Sedan	9,385	9,478	9,197
89 OLDS CIERA			
Coupe	6,920	6,990	6,782
Sedan	6,998	7,062	6,858
88 OLDS CIERA			
Coupe	5,580	5,635	5,467
Sedan	5,638	5,696	5,526
89 OLDS CALAIS			
Sedan	6,134	6,196	6,012
88 OLDS CALAIS			
Sedan	5,598	5,655	5,487
89 OLDS CUTLASS SUPREME			
Coupe	7,581	7,657	7,429
88 OLDS CUTLASS SUPREME			
Coupe	6,608	6,674	6,477
89 OLDS 98 REGENCY			
Sedan	11,100	11,211	10,877
88 OLDS 98 REGENCY			
Sedan	8,881	8,970	8,703
89 PLYMOUTH RELIANT			
Sedan	5,065	5,116	4,964
88 PLYMOUTH RELIANT			
Sedan	4,032	4,063	3,943
89 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	5,424	5,478	5,315
88 PLYMOUTH SUNDANCE			
Liftbk 4 Dr	4,371	4,414	4,284
89 PLYMOUTH GRAN FURY			
Salon Sedan	5,268	5,321	5,164
88 PLYMOUTH GRAN FURY			
Salon Sedan	4,233	4,275	4,149
89 ACCLAIM			
Sedan	6,254	6,317	6,130
89 PONTIAC SUNBIRD			
LE Sedan	5,684	5,741	5,570
SE Coupe	5,837	5,897	5,721
88 PONTIAC SUNBIRD			
SE Coupe	4,721	4,769	4,626
SE Sedan	4,786	4,833	4,689
89 PONTIAC 6000			
LE Sedan	6,617	6,683	6,485
88 PONTIAC 6000			
Coupe	5,174	5,226	5,071
Sedan	5,233	5,286	5,128
89 PONTIAC GRAND AM			
LE Sedan	6,646	6,712	6,513
88 PONTIAC GRAND AM			
Sedan	5,574	5,631	5,463
89 PONTIAC BONNEVILLE			
LE Sedan	8,778	8,865	8,603
88 PONTIAC BONNEVILLE			
LE Sedan	7,397	7,470	7,249
89 PONTIAC GRAND PRIX			
Coupe	7,624	7,703	7,472
88 PONTIAC GRAND PRIX			
Coupe	6,716	6,783	6,582
89 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	6,538	6,604	6,407
88 TOYOTA COROLLA			
Sedan 4 Dr Deluxe	5,429	5,483	5,319
89 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	8,346	8,428	8,177
88 TOYOTA CAMRY			
Sedan 4 Dr Deluxe	7,221	7,292	7,077
89 TOYOTA CRESSIDA			
Lux Sedan	13,454	13,588	13,185
88 TOYOTA CRESSIDA			
Lux Sedan	11,007	11,117	10,786
89 VOLKSWAGEN JETTA			
Sedan 4 Dr	7,244	7,316	7,099
88 VOLKSWAGEN JETTA			
Sedan 4 Dr	5,892	5,953	5,775
89 VOLVO			
240 DL Sedan	11,631	11,749	11,400
88 VOLVO			
240 DL Sedan	9,952	10,053	9,754

NEW PRODUCTS

ONE-PIECE SLAM LATCH INSTALLS WITHOUT TOOLS and can be used for compartment enclosures in cars and trucks. An integral elastomeric tongue located underneath the exterior housing acts as a spring for the latch. In the closed position, the spring relaxes but firmly holds the catch behind the frame edge or strike. To open a door or panel, insert a finger into the finger recess and push the latch away from the frame edge. The latch will not corrode and is resistant to fatigue. *Camloc Products.*

Circle 227 on Inquiry Card

"IN CONTROL WITH SAM POSEY" is a 65-minute VHS videotape designed to help drivers understand the key elements of safe driving, and to appreciate the important role that seat belts play not only in lessening injuries, but in avoiding accidents altogether. The video uses plain, non-technical language to give a thorough working knowledge of effective vehicle-control responses to emergency situations. The video is narrated by Emmy-winning ABC sports analyst and Indy 500 veteran Sam Posey, and meets OSHA specifications for driver training. *In Control.*

Circle 228 on Inquiry Card

ANTI-FREEZE RECOVERY SYSTEM provides anti-freeze at a purity level previously available only from large commercial systems. By applying heat to dirty engine coolant, the Bad Ethyl first evaporates and then condenses the pure water once contained in radiator waste solution. Then, utilizing the same technology used by chemical anti-freeze manufacturers, vacuum distillation safely and effectively recovers pure ethylene glycol. Once properly inhibited with a one-bottle addition of Finish Thompson Engine Coolant Treatment, the recovered ethylene glycol becomes anti-freeze that meets all original manufacturer specifications for corrosion inhibition and thermal protection. *Finish Thompson Inc.*

Circle 229 on Inquiry Card

PROTECT SPARE TIRES ON SIDEKICKS with Suzuki's new spare tire case. The tire case is made of durable sheet molding compound to minimize expansion and contraction. *American Suzuki.*

Circle 230 on Inquiry Card

CLASSIFIED

FLEET SALES MANAGER

Requires ten years wholesale automotive fleet sales and sales management experience and the ability to travel extensively. A Bachelor's Degree with a Marketing concentration is preferred.

Send your resume with salary history/ requirements to: Human Resources Specialist, P.O. Box 915, Rockleigh, NJ 07647. We are an equal opportunity employer.

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GAS PRICES

UNLEADED GAS
Cost Per Gallon

City	Full-Serve	Self-Serve
Juneau, AK	192.9¢	179.9¢
Mobile, AL	152.9	113.4
San Rafael, CA	166.9	118.9
Denver, CO	163.2	119.9
Washington, D.C.	156.5	123.3
Orlando, FL	145.2	122.1
Maui, HI	204.6	156.6
Chicago, IL	172.5	133.0
Lexington, KY	132.2	114.4
Boston, MA	135.5	121.5
St. Paul, MN	145.4	118.9
Albuquerque, NM	151.9	122.9
Buffalo, NY	149.2	128.2
Charleston, SC	134.0	113.9
Houston, TX	160.9	115.0

The average U.S. full serve gasoline price for the month of February was 143.9 cents per gallon.
The average U.S. self-serve gasoline price for the month of February was 121.3 cents per gallon.
Survey conducted during the first five working days of February 1991.
Supplied by Runzheimer International, Runzheimer Park, Rochester, WI.